



Department of Justice

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WISCONSIN PRINTING BROKER PLEADS GUILTY TO CONTRACT ALLOCATION CONSPIRACY

WASHINGTON, D.C. -- A Wisconsin broker of advertising and display materials pled guilty today to participating in a conspiracy to allocate contracts for the supply of advertising and display materials awarded by two alcoholic beverage distributors, said the Department of Justice.

In a one count information, filed today in U.S. District Court in Manhattan, Peter Lanigan of Mequon, Wisconsin was charged with conspiring with other vendors to make payments to Irwin Englander, purchasing agent of Hiram Walker & Sons Inc. and its subsidiary W.A. Taylor Inc., in exchange for Englander's assistance in allocating contracts among himself and the other vendors. The conspiracy lasted from May 1991 until early 1994. The payments made by Lanigan and the other vendors protected their companies from competition from other potential suppliers. In January 1997, Englander pleaded guilty to participating in a conspiracy to commit mail fraud and is awaiting sentencing.

"The Antitrust Division is committed to prosecuting conduct that prevents free and open competition in any market," said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division. "The payments made by Lanigan and his co-conspirators corrupted the competitive process. Englander neither sought nor accepted bids or quotes from vendors not part of the conspiracy."

Advertising and display materials include, but are not limited to, display stands, posters, banners, counter cards or sell sheets, used for the advertising or promotion of consumer goods, primarily in retail stores.

The prosecution of Lanigan is the latest to arise out of an ongoing federal investigation of bid-rigging, commercial bribery, and tax-related offenses in the point-of-purchase advertising and display industry.

As a result of the investigation, 21 individuals and 9 corporations have already pleaded guilty to various federal charges. Earlier prosecutions have involved personnel at Philip Morris Inc. (New York, NY), Heublein Inc. (Farmington, CT), Hiram Walker & Sons Inc. (Southfield, MI), Warner-Lambert Co. (Morris Plains, NJ), Austin Nichols & Co. Inc. (New York, NY), Lorillard Tobacco Co. Inc. (Greensboro, NC), and Domecq Importers Inc. (Old Greenwich, CT).

The investigation is being conducted by the Antitrust Division's New York Field Office, with the assistance of the Federal Bureau of Investigation and the Internal Revenue Service Criminal Investigation Division.

The maximum penalty for an individual convicted of violating the Sherman Act is three years in prison and a fine the greatest of \$350,000, twice the gain derived from the crime, or twice the loss suffered by the victims of the crime.

Anyone with information concerning bid rigging, bribery, or fraud in the advertising and display materials industry should contact the New York Division of the FBI at (212) 384-1000.

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